

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6801**

**BILL NUMBER:** HB 1570

**NOTE PREPARED:** Jan 16, 2007

**BILL AMENDED:**

**SUBJECT:** Funding for Department of Insurance.

**FIRST AUTHOR:** Rep. Fry

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** \_\_\_ **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** *Insurance Education Scholarship:* This bill establishes the Insurance Education Scholarship Fund (Scholarship Fund) to provide annual scholarships to certain students. It requires (1) the State Student Assistance Commission (SSACI) to administer the scholarship fund; (2) the Commission for Higher Education to provide certain information concerning students studying insurance; and (3) each state educational institution to award scholarships and provide certain information. The bill annually appropriates money in the scholarship fund to SSACI. The bill provides for transfers of surplus funds from the Department of Insurance (DOI) Fund to the Scholarship Fund, at the discretion of the DOI Commissioner.

**Fee Increases:** The bill deposits various insurance filing fees into the Insurance Fund rather than the state General Fund. It increases the internal audit fee for domestic and foreign insurers and health maintenance organizations to \$1,000. It increases the internal audit fee of other entities from \$100 to \$250. It provides that each policy, rider, or endorsement filed with the state constitutes an individual filing for purposes of the \$35 product filing fee. It imposes a \$1,000 cap per filing per insurer for product filing fees. It provides that insurance producer and limited lines producer license renewal fees are due every two years rather than every four years. The bill provides for the deposit of fees paid to the commissioner by health maintenance organizations (HMOs) into the Insurance Fund.

The bill authorizes the commissioner to issue certificates suitable for framing to insurance producers. The bill removes the requirement that resident surplus lines producers file a bond with the commissioner.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been*

*completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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